

Entrepreneur Network Facilitation

Description

Business people often do not have enough time to organize themselves into special networks or associations that go beyond the Rotary, Kiwanis, and other service clubs, even when they recognize that getting together for one or another business purpose could be of value to them. So CEDOs can take leadership and help out by devoting the time and energy to that sort of task. Such networks are intended to have a fairly specific focus, in contrast to the more conventional and general business organizations, like a Chamber of Commerce. That is, the potential network members will share some more specific common status, such as just starting out in business.

For such entrepreneurs, it is usually a simple enough matter for a CEDO to get them together if the aim is clear and likely to be helpful. But a more complicated form of the task may also be addressed - namely, the facilitation of a flexible manufacturing network (FMN) to serve firms in a very specific field. The latter brings together individual businesses or entrepreneurs to co-ordinate the production of a good or service that has many parts, each of which (but not the entire ultimate product) can be produced by one of the members of the network. Here again the CEDO can assume a crucial leadership role in helping the entrepreneurs consider whether and how to work together in a FMN.

The Kiwanis Enterprise Centre in Dawson Creek, B.C., (see [Business Incubators](#)) has promoted two networks that are moving toward FMN activities, as well as others that are less ambitious. It deliberately chose to foster relationships that focussed on the two main local resource products, in order to facilitate economically more valuable exports. There is a Value-Added Food and Agriculture Association, engaged in establishing a food processing centre which will meet strict health standards to allow members to produce for commercial markets in the U.S., as well as throughout the province. The Value-Added Wood Products Association has been working on the idea of a common kiln that would do the specialized drying process for hardwoods, the most significant local forestry product.

Benefits

Entrepreneurs are often isolated in the pressing demands of their businesses and need the chance to share the problems, the feelings of reward, and the general experiences of their world. Such sharing helps to mitigate the isolation and stresses of bearing total responsibility for the firm, and often it can bring new ideas to bear that are directly helpful. In the instance

of networks other than FMNs, the members find primarily a comradeship, which perhaps even family members cannot offer.

If, as in the case of youth or women entrepreneurs, a certain social status makes the career even more challenging, such networks can be especially helpful in discovering common issues and common solutions. Women and Rural Economic Development (WRED) in western Ontario makes the promotion of networking a key element of its program of fostering new enterprises established by women. They have found this activity to be a major support for the business owners who otherwise are fairly isolated in their rural settings; the networking is crucial for business survival since it also leads to shared marketing and production information.

In the case of the FMNs, the entrepreneurs get an even greater benefit. That is, they may be able to expand or to meet changed market demands more easily if they can integrate their operations with others. The FMN can actually create a whole set of new businesses as the entrepreneurs divide up the production of a new (at least to them) product.

Major challenges

The FMN sounds like a simple enough idea, but in some ways it may actually run counter to the usual entrepreneurial culture. That is, it requires the FMN members to give up some of their independence as they integrate their production, sales, prices, etc., so as to get smoothly to the ultimate joint product. Since most entrepreneurs are in business because they particularly value the independence of running their own show, this kind of coordination with others can be a real challenge. Moreover, it requires valuing collaboration rather than the usual competitive attitudes.

In the instance of the networks that are primarily for sharing information and experiences, the challenge is probably confined to carefully maintaining the conditions for sustained contact. That is, the main task is simply assuring the routine arrangements that make it convenient for the members to meet regularly and productively, without requiring them to deflect excessive time from their businesses.

Some practical steps

1. The CEDO will need to survey a set of firms to ascertain whether there is sufficient interest or need for the particular type of networking.
2. A council of broadly respected entrepreneurs should be assembled to promote the idea of the network and to determine the precise purposes to which it should be devoted.
3. Initial meetings will offer a wider opportunity to shape further the aims and activities of the network.

Resource organizations & contacts

- The Niagara Enterprise Agency (NEA) in St. Catherine's, ON (905-687-8327) offers services to establish networks and the supporting organization.
- Also, the staff with the two organizations cited can offer some of the best information: Kiwanis Enterprise Centre (250-782-5745); WRED (519-273-5017).
- At the University of Georgia, Dr. Mary Anne Alabanza Akers has specialized in flexible business networks (706-542-3350).

Publications

- ***Case Study:** "Flexible Business Networks." A leading consultant discusses how to build and maintain an effective, community-based FBN, and especially, how to choose the all-important network advisor.
- ***Case Study:** "New Directions for Microenterprise." The experience of ACENET in Appalachia shows how networks of support for market-focussed microentrepreneurs can be a way to engage traditional community institutions in economic revitalization.
- *Flexible Manufacturing Networks for Microenterprises* (published by the National Congress for Community Economic Development, tel. 202-234-5009).
- C. Richard Hatch, "The Power of Manufacturing Networks," pp. 33-40 in: R. Scott Fosler, ed., *Local Economic Development: Strategies for a Changing Economy* (Washington, DC: International City Management Association, 1991).